
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Counties, Municipalities, and Townships

FROM: Micah G. Vincent, Commissioner

RE: Legislative Changes Affecting the Fire Protection Territory Fund

DATE: May 19, 2014

On March 26, 2014, Governor Pence signed into law House Enrolled Act 1266 ("HEA 1266"), Section 27 amends IC 36-8-19-8 regarding the fire protection territory fund. This change is effective July 1, 2014. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Under IC 36-8-19-8 (both before and after its amendment by HEA 1266), the provider unit of a fire protection territory must establish a fire protection territory fund from which all expenses of operating and maintaining the fire protection services within the territory, including repairs, fees, salaries, depreciation on all depreciable assets, rents, supplies, contingencies, and all other expenses lawfully incurred within the territory must be paid. The provider unit, with the assistance of each of the other participating units, must annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services within the territory.

Under IC 36-8-19-8, as amended, the provider unit may maintain a reasonable balance in the fund, not to exceed 120% of the budgeted expenses. In other words, if the budgeted expenses for the fund for a year are \$100,000 (per Form 4-A), then the balance in the fund may not exceed \$120,000.

Contact Information

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